

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-293-C - ORDER NO. 98-69  
FEBRUARY 2, 1998

IN RE: Application of Efficy Group, Inc. for ) ORDER  
a Certificate of Public Convenience and ) APPROVING  
Necessity to Provide Intrastate Inter- ) CERTIFICATE  
exchange Telecommunications Services )  
within the State of South Carolina. )

*✓ me*

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Efficy Group, Inc. ("Efficy" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate interexchange telecommunications services within the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1996) and the Regulations of the Public Service Commission of South Carolina. By its Application, Efficy also requested that it be granted streamlined regulatory treatment similar to that granted to AT&T Communications of the Southern States, Inc. ("AT&T") by Orders No. 95-1734 and 96-55 in Docket No. 95-661-C.

The Commission's Executive Director instructed Efficy to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Efficy's

Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Efficy complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene was received concerning Efficy's Application.

A hearing was commenced on January 20, 1998, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. Efficy was represented by Kaye Davis, Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Chris Langley, Vice President of Corporate Development, appeared and offered testimony in support of Efficy's Application. The record reveals that Efficy is privately-held South Carolina corporation. According to Mr. Langley, Efficy proposes to offer long distance services using resold transmission services of underlying carriers which are duly certified by the Commission. Mr. Langley explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a reseller. The record reveals the Company's services, operations and marketing procedures.

Mr. Langley also explained that Efficy possesses the technical, financial and managerial abilities to provide its services in South Carolina. Mr. Langley testified that the Company would operate in accordance with the Commission rules, regulations, guidelines, and Commission Orders. Finally, Mr. Langley offered that approval of Efficy's Application is in the

public interest as the grant of authority to Efficacy will expand the availability of telecommunications services to the public at competitive prices and will provide incentive for other interexchange carriers to lower their prices.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. Efficacy is organized as a corporation under the laws of the State of South Carolina.

2. Efficacy operates as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.

3. Efficacy has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Efficacy to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Efficy for its resale of residential services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Efficy shall not adjust its residential rates below the approved maximum level without notice to the Commission and to the public. With regard to adjustments to residential rates, Efficy shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S. C. Code Ann. §58-9-540 (Supp. 1995).

4. With respect to business service offerings, credit card

services, operator services, and customer network offerings, tariff filings will be presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven (7) days, then the tariff filing will be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Efficy also. Staff is instructed to monitor the Company using the same monitoring process and techniques as are used to monitor AT&T.

5. Efficy is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Efficy shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Efficy changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, Efficy shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

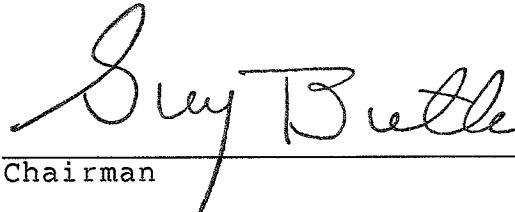
9. Efficy shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No.

88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.


10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Efficacy shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be used to file the name(s) of regulatory compliance personnel. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Deputy Executive Director  
(SEAL)

DOCKET NO. 97-293-C - ORDER NO. 98-69  
FEBRUARY 2, 1998  
ATTACHMENT A

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ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

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COMPANY NAME

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FEI NO.

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ADDRESS

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CITY, STATE, ZIP CODE

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PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12  
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION  
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,  
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR  
ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS  
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT  
(SEE #3 ABOVE).

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SIGNATURE

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NAME (PLEASE TYPE OF PRINT)

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TITLE



DOCKET NO. 97-293-C - ORDER NO. 98-69  
FEBRUARY 2, 1998  
ATTACHMENT B

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INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES  
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and  
maintain with the Commission the name, title, address, and  
telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

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Company Name/DBA Name

---

Business Address

---

City, State, Zip Code

---

Authorized Utility Representative (Please Print or Type)

---

Telephone Number

---

Fax Number

---

E-Mail Address

---

This form was completed by

---

Signature

If you have any questions, contact the Consumer Services  
Department at 803-737-5230